



Fireman's Fund
Insurance Company

BWSF
12.11.8

April 28, 1998

David M. Wissert, Esq.
Lowenstein Sandler
65 Livingston Avenue
Roseland, NJ 07068-1791

LOWENSTEIN, SANDLER

MAY 02 1998

FFIC CLAIM NO: 105-97-129940
INSURED: MARMON GROUP, INCORPORATED
SITE: Coeur d'Alene Basin, Idaho

Dear Mr. Wissert:

In response to your letter dated April 20, 1998, I have enclosed a copy of our letter dated December 16, 1997, which sets forth our position concerning coverage for the Coeur d'Alene Basin matter under the excess policies issued by National Surety Corporation and Fireman's Fund Insurance Company.

With respect to the primary policy cited in your letter, LC 2045403, the limit of this policy was exhausted in the settlement of the declaratory relief action arising out of the Flowood, Mississippi site. Thus, this policy cannot apply to the Coeur d'Alene Basin matter and we must disclaim any duty to defend or indemnify Group R Co., Inc. in this matter under the primary policy.

Other provisions of the primary policy may preclude coverage for this matter. Please be advised that we do not waive any rights or coverage defenses whether or not they are set forth in this letter.

If you have any questions or would like to discuss this matter, please do not hesitate to contact me.

Sincerely,

David McCormack
Senior Litigation Analyst
PHONE: (415) 899-3917
FAX: (415) 899-3663

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Environmental Claims Facility, 777 San Marin Drive, Novato, CA 94988-3400

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